

37 Am. Jur. 2d Fraud and Deceit § 186

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Fraud and Deceit

George Blum, J.D., John Bourdeau, J.D., Romualdo P. Eclavea, J.D., Janice Holben, J.D., Karl Oakes, J.D. and Eric C. Surette, J.D.

IV. False Representations

G. Representations and Statements as to Particular Matters

4. Credit, Solvency, and Financial Standing

§ 186. Representations as to one's own financial status—By purchaser

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

West's Key Number Digest, Fraud  27, 28

Forms

[Am. Jur. Pleading and Practice Forms, Fraud and Deceit § 124](#) (Complaint, petition, or declaration—For damages—

Misrepresentation as to own financial standing—General form)

[Am. Jur. Pleading and Practice Forms, Fraud and Deceit § 125](#) (Complaint, petition, or declaration—For damages—

Misrepresentation as to own financial standing—Made through merchants' credit association)

If a buyer knowingly misrepresents the buyer's financial condition and thus induces the seller to sell the buyer goods on credit, the seller may rescind the sale and recover the goods sold.¹

If the transactions attacked as fraudulent consist of a number of independent sales extending over a considerable time, and not a single transaction, application of the general principles must be applied to each transaction to obtain a proper result as there may be fraud justifying a rescission in one and not in another.²

A misrepresentation by the purchaser in a land contract as to the purchaser's financial responsibility may be ground for rescission by the seller where the contract provides for payment of the purchase price in future installments.³

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Footnotes

- 1 [Browning v. De Ford](#), 178 U.S. 196, 20 S. Ct. 876, 44 L. Ed. 1033 (1900); [McGregor v. Battle](#), 128 Ga. 577, 58 S.E. 28 (1907); [John Silvey & Co. v. Tift](#), 123 Ga. 804, 51 S.E. 748 (1905).
- 2 [Pelham v. Chattahoochee Grocery Co.](#), 146 Ala. 216, 41 So. 12 (1906).
- 3 [Olson v. Pettibone](#), 168 Minn. 414, 210 N.W. 149, 48 A.L.R. 913 (1926).

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